



Key Trends for 2023 and December Recap

Authored by Jacob White – ETF Product Manager, Sprott Asset Management LP

Performance as of December 31, 2022

Indicator	1 MO*	3 MO*	Year 2022
U308 Uranium Spot Price ¹	-2.27%	0.12%	14.74%
Uranium Mining Equities (Northshore Global Uranium Mining Index) ²	-4.87%	-2.44%	-11.42%
Commodities (BCOM Index) ³	-2.80%	1.18%	13.75%
U.S. Equities (S&P 500 TR Index) ⁴	-5.76%	7.56%	-18.11%
U.S. Bonds (Bloomberg Barclays US Agg Total Return Value Unhedged USD Index) ⁵	-0.45%	1.87%	-13.01%

Source: Bloomberg and Sprott Asset Management LP. Data as of December 31, 2022. **For the fund's standardized performance please see page 5. Past performance is no guarantee of future results.**

*Performance for periods under one year are not annualized.

December Performance

Most asset classes lost ground in December, including broad equity markets, bond markets and most commodities, including uranium. The U308 uranium spot price fell from \$49.43 to \$48.31 per pound in December, a 2.27% decrease, while uranium mining stocks lost 4.87% for the month. For the full year 2022, uranium performance was notably strong, given the overall bear market environment. The U308 spot price returned 14.74% for the twelve months, outperforming most asset classes. In contrast, however, uranium mining equities fell 11.42% for 2022. Even so, the fundamentals for uranium and nuclear energy strengthened throughout 2022, a year notably impacted by rising inflation and higher interest rates. We believe the positive developments in the uranium and nuclear power sectors will continue to provide long-term structural support for uranium and uranium miners in 2023.

"We believe the uranium bull market remains intact despite the challenging and uncertain macroeconomic environment."

¹ The U308 uranium spot price is measured by a proprietary composite of U308 spot prices from UxC, S&P Platts and Numerco.

² The North Shore Global Uranium Mining Index (URNMX) was created by North Shore Indices, Inc. (the "Index Provider"). The Index Provider developed the methodology for determining the securities to be included in the Index and is responsible for the ongoing maintenance of the Index. The Index is calculated by Indxx, LLC, which is not affiliated with the North Shore Global Uranium Miners Fund ("Existing Fund"), ALPS Advisors, Inc. (the "Sub-Adviser") or Sprott Asset Management LP (the "Adviser").

³ The Bloomberg Commodity Index (BCOM) is a broadly diversified commodity price index that tracks prices of futures contracts on physical commodities, and is designed to minimize concentration in any one commodity or sector. It currently has 23 commodity futures in six sectors.

⁴ The S&P 500 or Standard & Poor's 500 Index is a market-capitalization-weighted index of the 500 largest U.S. publicly traded companies.

⁵ The Bloomberg US Agg Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market.



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Figure 1. Uranium Outperforms Other Asset Classes in the Short Term (12/31/2019-12/31/2022)



Source: Bloomberg and Sprott Asset Management. Data as of 12/31/2022. Gold is measured by GOLDS Comdty Spot Price; S&P 500 TR is measured by the SPX; BCOM is the Bloomberg Commodity Index; US Agg Bond Index is measured by the Bloomberg Barclays US Agg Total Return Value Unhedged USD (LBUSTRUU Index); the U.S. Dollar is measured by DXY Curncy and the U3O8 uranium spot price is measured by a proprietary composite of U3O8 spot prices from TradeTech LLC. Included for illustrative purposes only. **Past performance is no guarantee of future results.**

Governments Worldwide are Embracing Nuclear Power

December saw a continuation of the positive global news flow on uranium and nuclear energy. Japan continued its historic U-turn on nuclear energy policy and adopted a plan to “maximize the use of existing reactors by restarting as many of them as possible and prolonging the operating life of aging ones beyond the current 60-year limit.”⁶ Further, Japan plans to build new reactors to replace decommissioned ones. In India, the government approved five new nuclear power plant sites and financing to build ten 700-MW nuclear reactors.⁷ Prime Minister Modi has previously said that India aims to triple its nuclear fleet over the next decade. Finally, in Canada, the government released its Canadian Critical Minerals Strategy, which is backed by nearly CA\$4 billion to increase the supply of responsibly sourced critical minerals, including uranium.⁸ The strategy announced multiple commitments, including a 30% Critical Mineral Exploration Tax Credit for targeted critical minerals, which will likely support Canadian uranium explorers.

The U.S. Federal Strategic Uranium Reserve awarded its first contracts to Energy Fuels Inc., Uranium Energy Corp., Peninsula Energy Ltd., Encore Energy Corp. and Ur-Energy Inc.^{9,10} The initial \$75 million financial commitment to the reserve is designed to ensure the security of supply for U.S. nuclear power plants and incentivize domestically produced uranium. Although the contract awards in pounds are not material, the prices paid by the U.S. government for the uranium were as high as \$70 per pound. Given that current spot prices are approximately \$50, we believe that this excess price paid for U.S.-origin material reflects the growing concerns by the U.S. Department of Energy about continuing to rely on Russian and other non-friendly countries for critical supply chains.

⁶ Source: [World Nuclear News, Japan adopts plan to maximise use of nuclear energy.](#)

⁷ Source: [Reuters, India plans to build more nuclear power plants – government.](#)

⁸ Source: [Government of Canada, The Canadian Critical Minerals Strategy.](#)

⁹ Source: [World Nuclear News, First contracts awarded for US strategic uranium reserve.](#)

¹⁰ Source: [World Nuclear News, US uranium producers announce contracts and production ramp-ups.](#)



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Kazatomprom, located in Kazakhstan, is the largest uranium miner in the world by uranium production and was one of the few uranium miners with positive performance over the month. The miner announced that it completed a uranium delivery through its Trans-Caspian International Transport Route.¹¹ This was significant as Kazatomprom's primary shipping route is from Kazakhstan through St. Petersburg, Russia. Although there are still no restrictions on the supply that transports through Russia, given potential sanctions, the successful shipment through an alternative route mitigates the risk of potential shipping disruptions via Russia.

Three Key Trends for 2023

1. Prioritizing Energy Security as Countries Reduce Reliance on Russia

Nuclear energy and uranium's critical role in energy security may likely be paramount in 2023 and beyond. On February 24, 2022, Russia invaded Ukraine, sparking a global energy crisis. The cost of this energy crisis has been enormous, at \$1 trillion for Europe, from the invasion date to December.¹² Further, the predicament will be far from over in 2023 as, after winter, countries will have to refill gas reserves without Russian supplies.

In past years, Western countries' energy policies have predominantly favored renewable energy. However, governments cannot rely on renewable energy alone to reduce dependence on Russia due to renewables' intermittency and low-capacity factor. The intermittency of renewables can only be offset with base load energy sources, such as coal, natural gas or nuclear power plants.

Considering decarbonization targets, we expect nuclear energy to be a cornerstone in energy policies for many countries going forward. The challenge for governments and utilities will be securing ample uranium supply, especially if Russia sources are curtailed. For example, the European Commission is discussing a ban on new investments in Russia's mining sector.¹³ For investors in the sector, disruptions in supply chains may cause utilities to increase inventories and advance procurement plans, ultimately bolstering uranium demand and prices.

2. Higher Conversion and Enrichment Prices Likely to Elevate U3O8 Uranium Spot Price

Prices for uranium conversion and enrichment services more than doubled in 2022, a significant outperformance relative to the U3O8 uranium spot price. We believe this upward price pressure will cascade down to the uranium spot price in 2023.

While Russia accounts for a small portion of U3O8 production at 6% of the global total, it controls about 27% of the global uranium conversion capacity and 39% of fuel enrichment.¹⁴ Although there have yet to be sanctions on either Russian uranium or conversion and enrichment services, and legacy contracts are being honored, utilities are not signing any new contracts with Russian entities. In response, Western countries are investing in and supporting the expansion of local conversion and enrichment capacity.

A key development expected in the first half of 2023 is the restart of the U.S. conversion facility, ConverDyn. This shift to Western conversion and a lack of enrichment capacity is the bottleneck for higher uranium demand. Once new conversion capacity comes online, we anticipate an industry shift from underfeeding to overfeeding (using more UF6 as feedstock to produce more enriched uranium) should significantly increase uranium demand in 2023 and beyond, which is ultimately supportive of uranium miners. Further, "available for sale" uranium inventories have mostly been sold and may likely not act as a significant source of secondary supply as in the past couple of years.

¹¹ Source: [World Nuclear News, Kazatomprom completes trans-Caspian uranium delivery.](#)

¹² Source: [Bloomberg, Europe's \\$1 Trillion Energy Bill Only Marks Start of the Crisis.](#)

¹³ Source: [Reuters, European Commission weighs sanctions on Russia's mining industry - FT.](#)

¹⁴ Production of U3O8 from UxC LLC for 2021. Conversion and enrichment figures from Cameco Corp.



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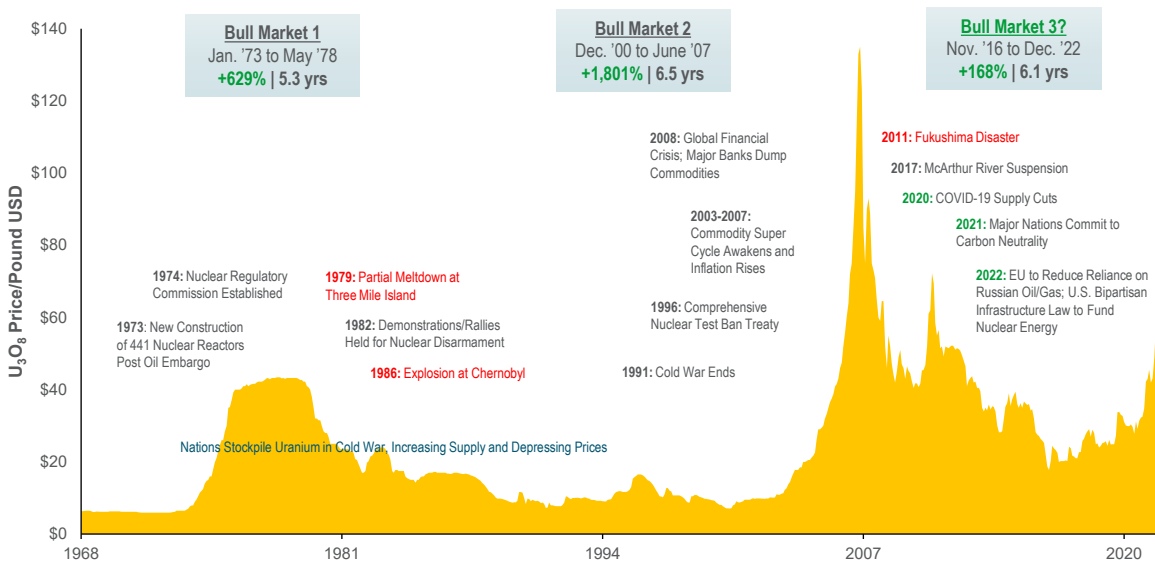
3. The Global Energy Transition to Reduce Reliance on Fossil Fuels

The energy transition movement is structural, and the reality is that nuclear energy is crucial for many countries to reliably decarbonize their energy supply. Growing global recognition of this by governments, catalyzed by the need for greater energy security, is likely to continue to be a dominant theme and driver in 2023.

The European Union (EU), Japan and South Korea launched green taxonomies in 2022, including nuclear energy. The EU taxonomy came into effect on January 1, 2023, and allows nuclear energy to be labeled as “green investments”. Nuclear activities included in the taxonomy, such as extensions of existing reactor lifespans, will take effect and strengthen the demand for uranium. In the U.S., the Inflation Reduction Act, Civil Nuclear Credit Program and the U.S. Federal Strategic Uranium Reserve will give financial support to nuclear power plants, allowing them to compete more effectively versus other energy sources. In China and India, we expect to see continued progress toward the build-out of new nuclear reactors.

We believe the uranium bull market remains intact despite the challenging and uncertain macroeconomic environment. There has been an unprecedented number of announcements for nuclear power plant restarts, life extensions and new builds that are likely to create incremental demand for uranium. However, the current uranium price still remains below incentive levels to restart tier 2 production, let alone greenfield development. Over the long term, increased demand in the face of an uncertain uranium supply may likely support a sustained bull market.

Figure 2. Uranium Bull Market Continues (1968-2022)



Note: A “bull market” refers to a condition of financial markets where prices are generally rising. A “bear market” refers to a condition of financial markets where prices are generally falling.

Source: TradeTech. Data as of 12/31/2022.



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Sprott Uranium Miners ETF (NYSE Arca: URNM)

Sprott Uranium Miners ETF (NYSE Arca: URNM) seeks to invest at least 80% of its total assets in securities of the North Shore Global Uranium Mining Index (URNMX). The Index is designed to track the performance of companies that devote at least 50% of their assets to the uranium mining industry, which may include mining, exploration, development and production of uranium, or holding physical uranium, owning uranium royalties or engaging in other, non-mining activities that support the uranium mining industry. The URNM Index is rebalanced semi-annually.

Key Points:

- 1. Pure-Play Uranium ETF** – A U.S.-listed Uranium ETF focused on uranium miners and physical uranium
- 2. Uranium Bull Market** – A new uranium bull market is underway, incentivizing miners and investors
- 3. Clean Energy Transition** – Uranium and nuclear energy may be critical to the clean energy transition
- 4. Energy Security** – Uranium and nuclear energy may help countries achieve energy security – reliable and affordable electricity

Performance: Average Annual Total Returns* (%)

MONTH END AS OF 12/31/2022	1 MO	3 MO	YTD	1 YR	3 YR	S.I. ¹
Sprott Uranium Miners ETF (Net Asset Value)	-5.48	-2.46	-12.03	-12.03	38.64	39.36
Sprott Uranium Miners ETF (Market Price) ²	-6.56	-2.59	-11.88	-11.88	38.40	39.34
North Shore Global Uranium Mining Index (Benchmark) ³	-4.87	-2.44	-11.42	-11.42	39.85	40.62
QUARTER END AS OF 12/31/2022	1 MO	3 MO	YTD	1 YR	3 YR	S.I. ¹
Sprott Uranium Miners ETF (Net Asset Value)	-5.48	-2.46	-12.03	-12.03	38.64	39.36
Sprott Uranium Miners ETF (Market Price) ²	-6.56	-2.59	-11.88	-11.88	38.40	39.34
North Shore Global Uranium Mining Index (Benchmark) ³	-4.87	-2.44	-11.42	-11.42	39.85	40.62

Fees and Expenses (%) as of the most recent prospectus⁴

Management Fee	0.85
Other Expenses	0.00
Total Annual Fund Operating Expenses	0.85

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be higher or lower than actual data quoted. Call 1.888.622.1813 or visit www.sprottets.com for current month end performance. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

* Returns less than one year are not annualized.

¹ Inception Date: 12/3/2019. URNM was reorganized from the North Shore Global Uranium Mining ETF into the Sprott Uranium Miners ETF on 4/22/2022. URNM is a continuation of the prior ETF and, therefore, the performance information shown includes the prior ETF's performance.

² Market Price is based on the midpoint of the bid/ask spread at 4 p.m. ET and does not represent the returns an investor would receive if shares were traded at other times.

³ The North Shore Global Uranium Mining Index (URNMX) was created by North Shore Indices, Inc. (the "Index Provider"). The Index Provider developed the methodology for determining the securities to be included in the Index and is responsible for ongoing maintenance of the Index. The Index is calculated by Indxx, LLC, which is not affiliated with the North Shore Global Uranium Miners Fund ("Existing Fund"), ALPS Advisors, Inc. (the "Sub-Adviser") or Sprott Asset Management LP (the "Adviser").

⁴ Reflects Total Annual Operating Expenses as outlined in the prospectus dated April 25, 2022. For the services the Adviser (Sprott Asset Management LP) provides to the Fund, the Adviser is entitled to receive an annual advisory fee from the Fund calculated daily and paid monthly at an annual rate of 0.85% on up to \$500 million in assets, 0.80% on the next \$500 million in assets, and 0.70% on assets greater than \$1 billion.



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About Sprott – Sprott is a global leader in precious metal and energy transition investments. We are specialists. Our in-depth knowledge, experience and relationships separate us from the generalists. Our investment strategies include Exchange Listed Products, Managed Equities and Private Strategies. Sprott has offices in Toronto, New York and London and the company's common shares are listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbol "SII". For more information, please visit www.sprott.com.

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IMPORTANT DISCLOSURES & DEFINITIONS

An investor should consider the investment objectives, risks, charges and expenses carefully before investing. To obtain a Sprott Uranium Miners ETF Statutory Prospectus, which contains this and other information, visit <https://sprottets.com/urnm/prospectus/>, contact your financial professional or call 1.888.622.1813. Read the Prospectus carefully before investing.

The Fund is not suitable for all investors. There are risks involved with investing in ETFs including the loss of money. The Fund is considered non-diversified and can invest a greater portion of assets in securities of individual issuers than a diversified fund. As a result, changes in the market value of a single investment could cause greater fluctuations in share price than would occur in a diversified fund.

The Fund's investments will be concentrated in the uranium industry. As a result, the Fund will be sensitive to changes in, and its performance will depend to a greater extent on, the overall condition of the uranium industry. Also, uranium companies may be significantly subject to the effects of competitive pressures in the uranium business and the price of uranium. The price of uranium may be affected by changes in inflation rates, interest rates, monetary policy, economic conditions and political stability. The price of uranium may fluctuate substantially over short periods of time, therefore the Fund's share price may be more volatile than other types of investments. In addition, they may also be significantly affected by import controls, worldwide competition, liability for environmental damage, depletion of resources, mandated expenditures for safety and pollution control devices, political and economic conditions in uranium producing and consuming countries, and uranium production levels and costs of production. Demand for nuclear energy may face considerable risk as a result of, among other risks, incidents and accidents, breaches of security, ill-intentioned acts of terrorism, air crashes, natural disasters, equipment malfunctions or mishandling in storage, handling, transportation, treatment or conditioning of substances and nuclear materials.

Shares are not individually redeemable. Investors buy and sell shares of the Sprott Uranium Miners ETF on a secondary market. Only market makers or "authorized participants" may trade directly with the Fund, typically in blocks of 50,000 shares.

Funds that emphasize investments in small/mid-capitalization companies will generally experience greater price volatility. Funds investing in foreign and emerging markets will also generally experience greater price volatility. Diversification does not eliminate the risk of experiencing investment losses. ETFs are considered to have continuous liquidity because they allow for an individual to trade throughout the day.

A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses, affect the Fund's performance.

ALPS Distributors, Inc. is the Distributor for the Sprott Uranium Miners ETF and is a registered broker-dealer and FINRA Member.

ALPS Distributors, Inc. is not affiliated with Sprott Asset Management LP.